

**Staff  
Summary  
Report**



**To: Mayor & City Council  
Through: City Manager**

**Agenda Item Number 13a  
Meeting Date: October 28, 1999**

**SUBJECT: Contract Approval of a Boat Storage and Launch Facility Concessionaire in Rio Salado**

**PREPARED BY:** Steve L. Nielsen, Rio Salado Project Manager

**REVIEWED BY:** Janice M. Schaefer, Economic Development Administrator

**BRIEF:** Authorization to enter into a contract with the SAILBOAT SHOP, INC to provide and operate a temporary boat storage and launch facility for the Tempe Town Lake on the Rio Salado.

**COMMENTS: RIO SALADO PARKWAY MASTERPLAN (0112-07-03)** Authorization to enter into a contract with the SAILBOAT SHOP, INC to provide and operate a temporary boat storage and launch facility for the Tempe Town Lake on the Rio Salado.

**Document Name:** (991028mgrsn1) Supporting Documents: Yes

**HISTORY & FACTS:** On August 6, 1999, the City issued a Request for Proposals for a temporary Boat Storage and Launch Retrieval Facility. Two (2)-qualified proposals were received.

On September 26, 1999, the Enhanced Services Commission reviewed the proposals and after a lengthy discussion requested additional information relating to past experience as a concession operator.

On October 6, 1999, the Enhanced Services Commission received presentations by the two proposers along with additional information relating to experience, reference checks and potential contract issues.

On October 14, 1999, the City Council approved the selection of the Sailboat Shop, Inc. for exclusive negotiation of a contract for the purposes of providing temporary boat storage and launch facilities for the Tempe Town Lake.

**Document Name:** (991028MGRSN1) Supporting Documents: Yes

**SUMMARY:** The purpose of this contract is to provide concessionaire operated, temporary boat storage and launch facilities to the Town Lake. Until such time as a permanent Lagoon/Marina can be constructed, public boat launch is limited to a very narrow boat ramp posing a potential safety and liability hazard to the City. It was the opinion of staff that trailered boat capability was necessary to further energize the lake and that a skilled operator should be retained to provide boat launch services until a much larger facility can be constructed. The timing of the Lagoon/Marina is approximately 24 months.

Staff has negotiated a contract with the Sailboat Shop, Inc. to provide a temporary storage and launch operation very similar to the service they currently provide at Lake Pleasant. Because this is a private operation, with a short-term contract, staff placed heavy emphasis on developing a contract that minimized the cost of boat launch services while maximizing the potential use of the lake.

The contract is for a one-year period with six-month renewal options until the permanent Lagoon/Marina is operational. Because this is a critical function to the operation of the Lake, the Enhanced Services Commission and staff felt that the City should provide the temporary improvements such as fencing and site work for the storage compound and a small leased office. In this manner, the City can quickly step in and continue the service in the unlikely event of default by the operator. The following is a summary of the major points of the contract:

- Boat Storage and Launch Operation to start on or about November 7, 1999.
- Storage facility to accommodate up to 172 trailered boats with some added capability through rack storage.
- Operator shall guarantee storage space at the facility for Tempe Residents during the first 30 days of operation and a weighted preference in the event of a future waiting list.
- Fee Structure:

Launch/retrieval	\$10.00 with Annual Lake Use Permit \$15.00 with Day Use Permit
Trailered Boat Storage	\$3.00/ft/month, \$40.00 minimum
Rack Boat Storage	\$30.00/month (boats less than 150 lbs.)
Trailered Boat Storage with unlimited launch/ retrievals	\$5.00/ft/month
Overnight Storage	\$5.00/night

Grand Opening promotion on storage rates may be offered at 10% discount for initial period.

As mentioned above, this operation is intended to be for a short duration until permanent facilities can be constructed. The length of the contract and uncertainty of the market for this operation make it extremely difficult on the concessionaire. The most significant financial hurdle is the cost of a launch vehicle. The type recommended by the operator and verified through other sources costs approximately \$15,000. Staff has identified a series of alternatives to address this cost:

Alternate A - City to provide the one time capital cost of improvements estimated at \$40,000 (including \$14,300 for a launch tractor) plus annual expenses of \$11,000 (fence and office rental). The City would receive in return 15% of the gross revenue of the operation. Discounting the residual value of the tractor (50%), the City would recover its expenses if the operator has an occupancy rate of greater than 80% over the two-year period.

Alternate B - City to provide the one time capital cost of site improvements estimated at \$25,700 (without launch tractor) plus annual expenses of \$11,000. The operator would provide some form of launch vehicle at his expense. The City would receive in return 10% of the gross revenue of the operation. The City would lose approximately \$13,400, if the operator has an occupancy rate of 80% over the two-year period. Note that the City would lose \$5,000 if the operator had an occupancy rate of 100% over the two-year period.

Alternate C - same as alternate B, however the Operator would be requested to raise the storage and launch fees by 10% and the ratio to the City to 20% of gross to assist the City in recovering its expenses. This could potentially raise the fees above market rates for these types of services.

**RECOMMENDATION:**

That the Rio Salado Project Manager be authorized to enter into a short term contract with the Sailboat Shop Inc. for the purposes of providing a temporary boat storage and launch facility. The City participation level to be as outlined in Alternate A.

**FISCAL NOTE:** Funds sufficient to complete the tractor acquisition and site preparation are available within Fund #65-926435. Annual lease payments will be identified in the Rio Salado Operating Budget, however revenue from the concession operation will be used to offset costs.

	Pleasant	Saguaro
Dry Storage Rates	\$6/foot/month 30 foot max	\$6.75/foot/month 24 foot max
Number of dry storage units	220	60
Rate include launching?	yes	yes
Marina Wet Dock Storage Rates	\$261.60 per month up to 30 feet	\$7.75/foot/month larger of the slip or boat
Total number of wet dock slips	550	400
Charge to launch boat yourself	\$6 entrance to lake with 1 watercraft; each additional \$2	\$6 entrance to lake with 1 watercraft; each additional \$2
Staff launch your private boat?	no	no

Roosevelt	Apache
\$40/foot/month - up to 24' \$250/foot/month - over 24'	\$45/month - any size
252	480
no - \$10 in and out by staff free self launch	no - \$7.50 in and out by staff free self launch
	\$105/month - up to 25 ft \$145/month up to 30 \$155/month - up to 35
92 - plans to build 200 more	130
\$4 per boat	\$4 per boat
yes - \$10 in and out	yes - \$7.50 in and out

A-secured vehicle storage      Aztec storage center

Monthly rate	Outside	Outside	Inside
	\$50 - up to 30 ft \$60 - up to 35 ft 2nd month free	Up to 18 ft - \$45 Up to 23 ft - \$55 Up to 29 ft - \$62 Up to 35 ft - \$72 Up to 39 ft - \$84	\$149 - 10x20 \$110 - 10x15 \$76 - 10x10
Administrative fees	\$10 one time	\$15 deposit - 10 day notice	
24 hour access?	yes	no - 6a-8p	
Security	regular patrols nightly	dogs, razor wire	
Material	Asphalt	indoor - concrete outside - gravel asphalt (aisle parking for larger boats)	

Boat Doc Marine      Sailboat Shop

Outside \$2.50/foot/month + 1.9%	Outside \$38/month
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8-6 m-f; 8-12 sat	9-6 m-sat
fenced perimeter	fenced perimeter
dirt	broken asphalt

***Tempe Town Lake***  
***Boat Storage and Launch/Retrieval Facility Contract***

This document ("*Contract*") is a mutually binding agreement that is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 1999 between the Sailboat Shop, Inc. ("*Operator*") and the City of Tempe ("*City*"). This *Contract* gives the Operator the exclusive right, subject to the terms herein, to operate a temporary Boat Storage and Launch/Retrieval Facility ("*Facility*") at the site shown in detail in the Operator's Business Plan ("*Business Plan*") dated \_\_\_\_\_ and approved by the City on \_\_\_\_\_, as may be amended over the term of the *Contract*. The Facility is near the College Ave alignment on the North Bank of Tempe Town Lake ("*Lake*"). This *Contract* is subject to the Operator complying with all conditions stated below and subject to the Operator's implementation of the *Business Plan*.

***I. General Provisions***

A. Scope and amendment

This *Contract*, along with the accompanying *Business Plan*, represents the entire agreement of the parties with respect to the subject matter hereof, and no representations, warranties, inducements or oral agreements have been made by any of the parties except as expressly set forth herein, or in other contemporaneous written agreements. This *Contract* may not be changed, modified or rescinded except in writing, signed by all parties hereto, and any attempt at oral modifications of this *Contract* shall be void and of no effect.

B. Severability

If any clause or provision of this *Contract* is found to be illegal, invalid or unenforceable under present or future laws effective during the term of this *Contract*, it is the intent of the Operator and the City that the remainder of this *Contract* shall not be affected thereby. Similar terms with the same purpose may be substituted for any that are found to be illegal, invalid or unenforceable.

C. Assignment/subcontracts

Other than those subcontracts identified in the *Business Plan*, the Operator shall not assign or subcontract the Operator's exclusive rights contained within this *Contract* without prior written approval of the City.

D. Other contracts

The Operator shall not enter into a contract with any party other than those

already identified in the *Business Plan* or with any other party, including individual employees of the City, other than the City regarding the operation of the Facility at any time during the term of this *Contract* without prior written approval of the City, except as otherwise specified in section II.A of this *Contract*. It is clearly understood that the City and the Operator will act in their individual capacities and not act as an agent, employee, partner, joint venture or associate of the other party.

E. Term and extension

The Operator shall have the rights and obligations enumerated in this *Contract* upon full execution of the *Contract*. The Operator may begin to store boats at the Facility as soon as it is built, and may begin launching and retrieving boats as soon as the Lake is open for that type of watercraft on the first day that the Lake is officially open to the public ("Day One"). Day One is scheduled for November 7<sup>th</sup>, 1999. The *Contract* will expire at sunset on December 31<sup>st</sup>, 2000. The Operator's exclusive right to operate the Facility may be extended by mutual written agreement of the City and Operator for six-month periods until such time as the City determines that a permanent boat storage and launching system is available at the Lagoon/Marina. Prior to each extension of the *Contract*, the City and Operator shall review the financial and physical operation of the Facility during the previous six months, and may amend provisions in the *Contract* to improve the financial and physical operation of the Facility as part of the extension.

F. Force majeure

Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this *Contract* if and to the extent that such party's performance of this *Contract* is prevented by reason of force majeure. Force majeure means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God, acts of the public enemy, war, riots, mobilization, labor disputes, civil disorders, fire, floods, lockouts, injunctions-interventions-acts, or failures or refusal to act by government authority other than the City and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence. The force majeure shall be deemed to commence when the party declaring force majeure notifies the other party of the existence of the force majeure and shall be deemed to continue as long as the results of the effects of the force majeure prevent the party from resuming performance in accordance with this *Contract*.

Force majeure shall not include late delivery of equipment or materials caused by

congestion at a manufacturer's plant or elsewhere, an oversold condition of the market, inefficiencies or similar occurrences, and shall not include late performance by any subcontractor unless the delay arises from a force majeure occurrence in accordance with this force majeure clause.

Any delay in performance by either party shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that, such delay or failure is caused by force majeure.

If either party is delayed at any time in the progress of the work by force majeure, then the delayed party shall notify the other party in writing of such delay within twenty-four (24) hours commencement thereof and shall specify the causes of such delay in the notice. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by contract modification for a period of time equal to the time that the results or effects of such delay prevent the delayed party from performing in accordance with this *Contract*.

G. Operator Default

The Operator shall be deemed to be in default of this *Contract* if the Operator:

1. fails to make any payments specified in this *Contract* to the City within twenty (20) days of the date due;
2. fails to provide the minimum services or products as specified in the *Business Plan*;
3. fails to comply with any safety provision of this *Contract*;
4. fails to comply with any material term, provision or covenant of this *Contract*;
5. declares bankruptcy and is deprived of his equipment by the court overseeing the bankruptcy proceedings;
6. offers gratuities in any form to any employee of the City with a view toward securing favorable treatment with respect to awarding, amending or making of any determinations with respect to this *Contract*.

H. City Default

The City shall be deemed in to be in default of this *Contract* if the City fails to



open the Lake to full use by the public within one hundred and twenty (120) days from November 7, 1999.

I. Remedies for Default; Termination

Should the Operator fail to cure any Operator default within thirty (30) days of receiving written notice from the City that such default has occurred, this *Contract* may be terminated by the City and the City shall have the right of first refusal, subject to any restrictions in the Operator's financing, to purchase the Operator's equipment, supplies and materials at fair market value as determined by a competent appraiser who is mutually acceptable to the City and the Operator. Nothing implied herein shall imply a commitment by the City to make such a purchase. In the event that this *Contract* is terminated by the City because of Operator gratuities, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Operator the amount of the gratuity.

The City shall also have thirty (30) days to cure any City default after receiving written notice from the Operator that such default has occurred.

J. Certification

The Operator certifies that:

1. the submission of the Operator's proposal in response to the Request for Proposals did not involve collusion or other anti-competitive practices, and
2. the Operator has neither given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor or service to a public servant in connection with the proposal.

K. Applicable law

This *Contract* shall be governed by State of Arizona law, and suits pertaining to this *Contract* shall be brought only in State of Arizona courts.

L. Amendment

This *Contract* may only be modified by a written contract amendment issued by the City and signed by the Operator. The Operator's *Business Plan* may be amended only by means of the process described in section II.A below.

M. Provisions, rights and remedies

Each and every provision of law and any clause required by law to be in this *Contract* will be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party this *Contract* will forthwith be physically amended to make such insertion or correction. No provisions of this *Contract* shall be construed, expressly or by implication, as a waiver by the City or Operator of any existing future right and/or remedy available by law in the event of any claim of default or breach of contract. The failure of the City or Operator to insist upon strict performance of any term or condition of this *Contract* or to exercise or delay the exercise of any right or remedy provided in this *Contract*, or by law, shall not release the City or Operator from any responsibilities or obligations imposed by this *Contract* or by law, and shall not be deemed a waiver of any right of the City or Operator to insist upon strict performance of this *Contract*.

N. Administration

The Operator must notify the City Rio Salado Project Manager or his designee (both of which are referred to below as "Manager") for guidance or direction of matters of contract interpretation or problems regarding the terms, conditions or scope of this *Contract*.

O. Notices

All notices required to be given by this *Contract* shall be in writing, and shall be deemed to be served when delivered personally or at the time of mailing by certified mail, return receipt requested, postage prepaid to the party entitled or required to receive the same. Notices to the City shall be sent to both the Rio Salado Project Manager *and* the City Manager, City of Tempe, P.O. Box 5002, Tempe, AZ, 85280. Notices to the Operator shall be sent to the Sailboat Shop, 820 North McClintock, Tempe AZ 85281.

## II. Operations

A. Business Plan

The Operator shall operate the Facility in a manner, and to the best of the Operator's ability, that is consistent with the Operator's *Business Plan*, as attached hereto and incorporated herein by reference and as amended from time to time as provided for herein. Both the City and the Operator agree that, given the start-up nature of both the Lake and the Facility, the *Business Plan* represents a

“best guess” as to how future conditions and circumstances will be handled by the Operator, and that the *Business Plan* may have to be modified in response to conditions and circumstances that were not foreseen in the *Business Plan*. To expedite this process, the City will endeavor, to the greatest extent practicably possible, to let the Manager negotiate and approve minor modifications to any aspect of the *Business Plan* that do not affect significant operational, financial or legal obligations of the Operator. It shall be the responsibility of the Manager to determine which amendments to the *Business Plan* need to be approved by the City and which may be approved by the Manager, and such determination shall be made in as timely a manner as is practicably possible by the Manager. In the event an amendment to the *Business Plan* is deemed by the Manager to require City Council approval, the proposed amendment shall be first reviewed by the Enhanced Services Commission for approval or denial and then shall be forwarded to the City Council for final action. In any event, written approval of any amendment to the *Business Plan* by the Manager is binding upon the City.

Prior to taking effect, each and every amendment to the *Business Plan* must be written and signed by the Operator and the City (or the Manager where appropriate). A record containing each amendment shall be kept by both the Operator and the Manager. As each amendment to the *Business Plan* is added to this record, the Operator shall provide the Manager the revised portions of the *Business Plan*. The Operator and the Manager shall each maintain a working copy of the *Business Plan* that is identical to the other's and reflects all amendments made to that point in time during the term of this *Contract*.

The *Business Plan* may be modified from time to time to add or delete certain types of services offered at the Facility, depending on a variety of factors including safety and the market support for such services. The City or Manager may introduce additional services near the Facility that are not contained in the *Business Plan* only after the Operator has been offered the right of first refusal to provide this service. In the event that the Operator fails to exercise the Operator's option to provide the service, the City or Manager has the right to introduce the service unless the Operator can adequately demonstrate that the proposed service would significantly impact the Operator's operation in a negative manner.

All services listed in the *Business Plan* that are offered at the Facility must be directly or indirectly related to the primary function of storing and launching private boats. All such services offered by the Operator must be approved in advance by the City

B. Schedule

The Manager shall be responsible for setting up the daily routine schedule for

Lake activities. The daily routine schedule will be formulated with input from the Lake users advisory group on which the Operator shall have input. The Operator may only launch boats from the Facility during times when those types of boats are permitted on the Lake by the City. Typically, hours of operation will be from sunrise to a half-hour after sunset; specific hours will be set by the Manager.

The City will allow the Operator to begin storing boats and testing the launch/retrieval equipment as soon as practicably possible to enable the Operator to train staff and modify the Facility and equipment. The Manager will keep the Operator advised as to the status of construction and any change in the Lake opening date.

The Facility should be operating at all times when the Lake is open to the types of boats that are stored and launched at the Facility, and only boats that have permits to use the Lake can be launched at the Facility. If there is a waiting list for storage space at the Facility, boats without annual permits to use the Lake shall be removed to make space for owners on the waiting list with annual Lake permits until the waiting list is empty.

C. Operations

The Operator shall keep the Facility in a safe, clean, attractive and orderly manner as specified in standards in the *Business Plan*. The Manager shall have the right at all times to enter the Facility for any purpose deemed reasonably necessary for the administration of this *Contract*. Should the Operator fail to maintain the Facility at an acceptable standard, the Manager shall notify the Operator in writing and the Operator shall correct the deficiencies expeditiously but no later than thirty (30) days after receiving the notice.

When the Operator's vehicles are crossing the levee or moving on the terrace, the driver shall use extreme caution and activate lights and sounds on the vehicle to prevent any collision with pedestrians, joggers, in-line skaters and bicyclists, etc., as well as any other motorized vehicle that is on the levee and terrace at the same time. Unless disabled, the Operator's vehicles should not block the levee for any longer than is reasonably necessary to cross the levee, and his vehicles shall, at all times, be operated and parked so as to minimize disruption of smooth and safe pedestrian flow on the paved path.

D. Facility and equipment

The Facility shall be built according to the layout and specifications in the *Business Plan*. The City will provide a launch vehicle for hauling boats to and from the launch ramp and provide and maintain, at its sole expense, the following

elements, in addition to those that are assigned to the City in the *Business Plan*., a sufficient quantity of 55-gallon trash containers, or a 4-cubic- yard trash dumpster if both the City and Operator deem that the 55-gallon containers are not adequate, at least one portable toilet inside the storage area, an office/storage building that is approximately 10' x 20' with 220-Volt, 100-amp electric service, 6'-high chain-link fencing with three strands of barbed wire and the appropriate access gates around the storage area and any additional gates that may be needed to close off public access to the ramps used by the Facility. The City will also maintain the terrace and levee to the same standard as it does the rest of the Park around the Lake, will grade and clean up the site, lay 1-1/2" of crushed rock or gravel and parking blocks inside the storage area and in the parking and drive entrance outside the storage area, and lay crushed rock as needed on the terrace or levee ramps used by the Operator. The Operator will maintain the launch vehicle and lease or purchase and install, at his sole expense, water and telephone service for the Facility and any additional trailers, vehicles or equipment that may be necessary to operate the Facility according to the *Business Plan*. With the approval of the Manager, the Operator may install racks for storing boats weighing less than 150 pounds in the storage yard and a floating docking system at the launch ramp, and deduct the costs of the racks and docking system on an amortized basis over twelve (12) months from the payments due the City. In the event that any additional improvements to the Facility are determined by both the City and the Operator to be necessary, the City and the Operator shall work together regarding the design and details of the improvements to insure that the Facility will be improved for the Operator's use. The City and Operator must agree in writing prior to making the improvements, and include in the agreement a determination as to whether the Operator's payments to the City will be modified as a result of the improvements.

Every vehicle and all equipment must be approved in advance in writing by the City before the Operator can utilize it at the Facility. The Operator's signage should be kept to the minimum that is reasonable to notify the public of the product or service, and be compatible with the immediate surroundings. Manager approval of all signage shall be required, and all signs shall conform to the Rio Salado Sign Specifications. The Operator may install a sign with the name of the Facility, the hours of operation and a contact number on a sign at the lockable entrance to the Facility.

The Operator shall provide at no cost to the City, storage space for up to five (5) Lake operation and maintenance boats that are owned by the City. The City will pay the ordinary launch and retrieval fees for these boats. If the storage area is not already full with boats owned by others, the Operator shall be allowed to store two boats that he owns in the storage area at no charge.

E. Licensing

The Operator shall maintain in current status all federal, state and local licenses and permits required for his activities at the Facility.

F. Waste management

The Operator shall comply with all federal, state and local laws and regulations regarding water quality, including but not limited to the Clean Water Act and the National Pollutant Discharge Elimination System. The Operator shall implement a Best Practices Management Plan as required by said statute and shall dispose of waste and oil as needed using methods prescribed by applicable statutes and regulations.

G. Safety

All staff with direct public contact shall be trained to disseminate general information about flood channel and Lake regulations.

In the event of a public safety emergency as declared by the City Fire Chief or designated representative, the Operator shall immediately make available any of the Operator's equipment and staff that are needed by the Fire Chief to help in responding to the public safety emergency situation. The City will reimburse the Operator for all reasonable expenses incurred in the on-going training of City staff in the operations of the Operator's equipment. The City will also reimburse the Operator for all reasonable expenses incurred in providing the Operator's equipment and staff at the time of the public safety emergency.

The Operator shall, in addition to all other laws and regulations which may be applicable to the Operator operations, comply with applicable requirements stated in Title VII of the *Civil Rights Act of 1964* and the *Age Discrimination in Employment Act of 1967*.

H. Additional boat storage and launch/retrieval facilities

The City reserves the right to issue new Requests for Proposals for additional boat storage and launching facilities at other sites around the Lake if the City deems there is sufficient demand for those facilities. The Operator may submit Proposals in response to such Requests for Proposals.

I. Fees and policies

For the first thirty (30) days of operation, the Operator shall guarantee storage space at the Facility for any boat that is owned by a Tempe resident and of a type

that is allowed on the Lake. After that point in time, if there is a waiting list for storage space at the Facility, the time that a Tempe resident is on the list would be weighted by a factor of 1.25. (For example, if a Tempe resident had been on the list for 60 days, the weighted time on the list would be calculated as  $60 \times 1.25 = 75$  days.) No boats may be displayed or brokered for sale at the Facility. The Operator shall charge the following fees for boating services offered at the Facility, providing that the Manager may approve modifications in these fees of not more than twenty-five (25) percent, and that approval of the City Council is required for any modifications above twenty-five (25) percent from the fees shown below.

<u>service</u>	<u>fee</u>
launch/retrieval	\$15.00 with day use Lake pass \$10.00 with annual Lake pass Note: The Operator may levy a surcharge for boats with excessive draft or displacement (to offset the additional time needed for such craft) that the Operator determines upon inspection of the boat.
trailered storage	\$3.00/ft/month, \$40.00 minimum
rack storage	\$30.00/month (boats less than 150 lbs)
storage with unlimited launch/retrieval	\$5.00/ft/month
overnight storage	\$5.00/night

A Grand Opening promotion on storage rates may be offered at 10% discount for an initial period approved by the Manager.

### ***III. Lake use***

#### **A. Special Events**

The Manager shall have the right to close the Lake completely to the Operator for the purpose of holding Special Events (i.e., activities that significantly disrupt the daily routine schedule for the Lake) no more than a total of ninety-six (96) normal working hours during the course of any calendar year. Any normal working time during which the Manager closes the Lake completely to operation of the Facility shall be tallied as complete Special Event closure time, even if the Operator is actually allowed and able to operate landside services during that time. During

Special Events the Manager shall have the right to modify the daily schedule and restrict the hours or area of Operator activities as reasonably necessary for each Special Event, providing that sufficient notice of the Special Event and the specific restrictions have been given in a timely manner in writing by the Manager to the Operator. The Manager will follow the City's established process, as adapted for Town Lake and the flood channel, for scheduling, approving and overseeing all Special Events, and will give the Operator earliest possible notice of, not later than fourteen (14) days before, every Special Event, even if it is not likely to impact the Operator's operation in any way.

B. High flow/drainage event

The Operator shall remove all the Operator's equipment from the Lake and flood channel either within twelve (12) hours of receiving a Salt/Verde high flow/drainage notice from the Manager or as necessary to minimize risk to the dams or the general public.

C. Temporary cessation by Operator

In the event the Operator ceases operations for a period of forty-eight (48) hours for any reason other than those listed in this *Contract*, the Operator shall be deemed to be in default of this *Contract*, and the Manager shall have the right to take immediate managerial control of the Facility and the Operator's equipment, supplies and materials located therein in order to maintain continuity in commercial boat activities on the Lake and the Manager may at his discretion give to the Operator formal notice to cure as provided for in Section I. of this *Contract*. In the event the Manager continues to operate the Operator's activities, the City shall reimburse the Operator for the use of the Operator's equipment, supplies and materials based on fair market value lease rates as determined as soon as practicably possible by a competent appraiser who is mutually acceptable to the City and the Operator.

D. Lake closure by the Manager

The City does not guarantee that there will be water in the Lake and Lagoon at any time during the life of this *Contract*. The Manager shall have the right to close the Lake completely to the Operator's activities if there is a high flow event, if the Lake is partially or fully drained or if there are any conditions in the water that are deemed by the Manager to be unsafe for the public. The Manager and the Operator shall keep a separate running tally over the term of this *Contract* of the number of hours that the Manager closes the Lake completely to the types of boats that are stored or launched at the Facility for Special Events over the course of a calendar year.



E. Notices

The Operator shall give the Manager written advance notice as soon as is practicably possible of any time at which the Operator intends to cease operations.

The Manager shall be responsible for declaring when the Lake is open or closed to the Operator, and for maintaining the level and quality of the water in the Lake and the Lagoon subject to weather and high flow/drainage events that are beyond the City's reasonable control, and for notifying any persons on the Lake or in the flood channel about public emergencies on the Lake or in the flood channel. The Manager shall be responsible for giving the Operator 24 hour advance notice of any high flow event in the Verde River and Salt River basins, providing that the Manager has received such notice from the Salt River Project. The Manager will also advise the Operator as soon as practicably possible about any advance notice received by the Manager about high flow events in the Indian Bend Wash.

The Manager shall convey to the Operator written notices concerning any factor, event or situation that could, according to the *Business Plan*, affect the Operator activities on the Lake, in addition to written notices regarding water advisories, high flow/drainage events, Special Events, Lake closures and Lake openings. The Manager shall be the City's contact person for the Operator, and at least one staff member of the Manager's team shall be available at any time on a 24-hour basis to receive communications from the Operator.

**IV. *Financial***

A. Marketing

The Operator shall implement a Marketing Plan that promotes the Rio Salado project and the services available at the Facility. The Operator's staff shall disseminate factually correct general information about Rio Salado and flood channel and Lake history, regulations, activities and Special Events. To the best of its ability, the Manager shall include the Operator's operation in promoting the Rio Salado Project.

B. Revenues and costs

The Operator shall obtain prior written approval from the Manager for all fares and modifications to fares and fees that will be charged for each type of service offered at the Facility. Except in cases of emergency or safety, no complimentary storage, launching or retrieving of boats may be offered by the Operator at the Facility.

The Operator shall require the Operator employees to observe strict impartiality concerning all fares, fees and services in all circumstances. The City shall pay the normal rate for any launch or retrieval that it books with the Operator and the Operator shall pay the normal annual permit fees and special fees for any Special Events that the Operator is authorized to carry out within the flood channel. Any supplies, materials and equipment not installed by the City at the Facility or within the flood channel but needed to maintain, service and repair the equipment used in the Operator's activities shall be provided by the Operator at the Operator's sole cost and expense.

The City shall not be responsible for any loss of revenue incurred by the Operator during the first ninety-six (96) hours of Lake closure for Special Events in any calendar year. For every normal working hour that the Manager completely closes the Lake to the Operator to hold a Special Event in excess of the annual limit, the City shall pay the Operator the hourly amount set forth in the *Business Plan*. For example, if the Manager has already closed the Lake to the type of boats that can be stored and launched at the Facility ninety-six (96) hours for Special Events in a calendar year, and wishes to hold an additional Special Event that will close down the Facility for three hours, the City would pay the Operator the hourly closure rate for the Facility as part of the City's cost of holding the additional Special Event.

The City shall not be responsible for any damage or loss of revenue by the Operator that is caused by a high flow/drainage event or any emergency that is reasonably beyond the City's control.

C. Payments

In exchange for the right to exclusive operation of the Facility, the Operator shall make quarterly payments to the City. Quarters are defined as ending on March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup> and December 31<sup>st</sup>. Each quarter, the Operator shall pay the City fifteen (15) percent of gross revenues, from which he shall deduct any costs or fees (such as docks or racks, etc.) that are approved by the Manager as part of this *Contract*. The City and the Operator agree that this payment rate may be evaluated from time to time after the first twelve (12) months of operation. "Gross revenues" shall mean the total amount received or realized by, or accruing to, the Operator from all storage fees and launch services at the Facility, and excluding City sales and excise taxes that are added as separate charges to approved fees, provided that the amount excluded shall not exceed the amount actually due or paid government agencies.

During any quarter in which the Lake has been completely closed by the Manager

because of high flow/drainage or any other emergency that is beyond the reasonable control of the City, the minimum dollar payment for that quarter shall be reduced by the percentage of the number of hours that the Lake was closed during that quarter compared to the total number of normal-working hours that the Operator could have operated during that quarter according to the routine daily Lake schedule, and the Operator shall pay either the appropriate percentage or the reduced minimum dollar amount, whichever is greater for that quarter. If Day One (and therefore the expiration date of this *Contract*) occurs at any time other than the first day of the month, the minimum dollar payment for that quarter shall be reduced by the same method as closures, except that the preceding balance of Month #1 (in which Day One occurs) will not count as Lake closure time.

Any City payments to the Operator for any Special Event closures in excess of the annual limit of ninety-six (96) hours occurring during a quarter shall be deducted from the Operator's payment to the City for that quarter.

The Operator shall operate the Facility in a manner that reasonably maximizes revenue and reasonably minimizes financial investment and risk for the City. The Operator shall provide health insurance for, and pay all its employees not less than minimum federal wages, shall pay all the Operator telephone bills and local, state and federal permits, taxes and licenses in a timely manner and shall pay to the City the fair share of the costs for water, sewer, trash removal, rent and utilities generated by the Operator. The Operator shall obtain a Transaction Privilege Tax License from the City, and all other City and State licenses and permits required to operate the Operator concession activity.

All payments that the Operator commits in the *Business Plan* to make to the City for any given quarter must be received by the City no later than 5:00 P.M. MST on the fifteenth (15th) day of the month, or by 5:00 P.M. MST on the first business day following the fifteenth if the fifteenth occurs on a weekend or City holiday. The Operator shall provide the City with a quarterly report at the time of payment showing the total gross revenues for the services and products provided by the Operator at the Facility during the quarter covered by the payment. Payments shall be made to "the City of Tempe" and sent to the City of Tempe, attention: Accounting Manager, 20 East Sixth Street 2nd Floor, Tempe AZ, 85281.

D. Record keeping

The Operator shall maintain, in accordance with generally accepted accounting principles, full, complete and accurate permanent records and accounts of all sums of money paid or payable to the Operator for, or on account of, or arising out of, the business transaction authorized under this *Contract*. The Operator shall allow

the Manager to monitor the Operator's sales sheets and records showing the number and types of boats being stored and the daily number of launches and retrievals at the Facility, and provide an annual financial statement for the preceding year or portion of the year to the Manager within ninety (90) days of the end of each calendar year. The Operator shall make the Operator's sales sheets available to the Manager at the Manager's request. The Operator shall implement a level of cash-handling policies and controls that are acceptable to the Manager.

The Operator shall keep all applicable records in Maricopa County for thirty-six (36) months after the fiscal year to which the records apply and make them available to the City for audit. If an audit during that time determines that there had been deficiencies in the Operator's payments, then such deficiency shall become immediately due and payable with interest at the rate of 10% from the date when said payments should have been made. In addition, if payments have been understated by more than three (3) percent and the City is due an increase in payments as a result of such understatement, then the Operator shall pay the cost of such re-audit by an auditor designated by the City.

## ***V. Risk Management***

### ***A. Fire and other casualty***

In the event that the Lake or the Facility are partially damaged by fire, the elements, civil disorder or other casualty, the City shall repair the damage to the Lake and its portion of the Facility at the City's expense unless the City determines that the damage is so extensive that repair or rebuilding is not feasible. During the period of repair, payments to the City called for in this *Contract* shall be prorated or abated to the extent that the damage to the facility caused disruption in the Operator's business and reduced the Operator net revenues as determined by the City upon thorough examination of all the facts related thereto.

If either the Lake or the Facility is damaged to such an extent that it cannot be replaced and the Operator is no longer able to operate the Facility as authorized in this *Contract*, then, at the option of the City and upon notice to the Operator, this *Contract* shall cease and come to an end. If the City elects to rebuild the Lake and Facility and continue this *Contract*, the City shall notify the Operator of such intention within sixty (60) days of the date of damage. In any event, the City's obligation to rebuild or repair the Facility shall be limited to restoring the Lake and Facility to substantially the condition that existed at the time when the Operator began to use the Facility, subject to reasonable wear and tear during the term of this *Contract*. The Operator agrees that promptly after completion of aforementioned restoration by the City, the Operator will proceed with reasonable

diligence and at the Operator sole cost and expense, to rebuild, repair and restore the Operator's equipment and other items that the Operator provided or installed.

B. Insurance

The Operator shall secure, prior to commencing any activities directly related to this *Contract*, and maintain for the duration of this *Contract*, insurance with companies admitted to do business in the State of Arizona in the following amounts:

1. Workers' Compensation: the statutory amount
2. Employers' Liability: \$1,000,000 per occurrence with a waiver of subrogation in favor of the City
3. Commercial General Liability that is specially designed for marina operations and is for, but not limited to, premises and operations, broad form property damage, contractual liability, products and completed operations, personal injury and independent contractors: \$2,000,000 per occurrence, written on an occurrence form, for combined single limit for bodily injury and property damage
4. Property Insurance for physical damage to the Operator's property and the City's property, including improvements that the Operator has made at the Lagoon/Operations Center or within the flood channel, replacement cost coverage for a minimum of one hundred (100) percent of the replacement cost of the improvements made within the flood channel; for business interruption and loss of income for actual loss sustained; with a waiver of subrogation in favor of the City.
5. Business Automobile Liability for vehicles that are owned, leased or hired: \$5,000,000 combined single limit for bodily injury and property damage or its equivalent.
6. The Operator shall share the cost of health insurance for all full-time employees and their family members in an amount acceptable to the City, but that in no event is less than the minimum provided by the Arizona Health Care Cost Containment System service levels.
7. The Operator's insurance coverage must be provided by companies rated A7 or better by AM Best, and must be acceptable to the City.

Each such insurance policy shall contain the following clauses:

"This insurance shall not be cancelled, limited in scope or coverage, or non-renewed until after sixty (60) days' prior written notice has been given to Rio Salado Project Manager, City of Tempe, 31 East Fifth Street, Second Floor, Tempe, Az, 85281 *and* Risk Manager, City of Tempe, 525 South Mill, Second Floor, Tempe, Az, 85281."

"It is agreed that any insurance or self-insurance maintained by the City of Tempe shall apply in excess of, and not contribute with, insurance provided by this policy."

Except for Workers' Compensation, Employers' Liability and Professional Liability, each insurance policy shall contain the following clause:

"The City of Tempe, its officials, employees, representatives and volunteers as well as the City's private development partners in the Rio Salado Project are both added as additional insureds as respects operations and activities of, or on behalf of, the named insured performed under contract with the City of Tempe."

In those cases where the Operator makes alterations, additions or improvements to any area that is authorized for use by the Operator in or adjacent to the flood channel, the Operator shall further provide coverage in the amounts and types approved by the City Risk Manager for Builder's Risk Insurance, Workers' Compensation and Employers' Liability and Professional Liability during the term of the construction contract and until the work is accepted by the City. Also, payment and performance bonds naming the City as indemnitee shall be provided by the Operator. Should the size and/or scope of any construction contract be limited in nature, the Operator may request, in writing to the City Risk Manager, a waiver of the requirements for construction insurance.

The Operator shall provide the City, prior to the time that this *Contract* is signed by the City and the Operator, certificates of insurance and endorsements to the above required policies which add to these policies the applicable clauses quoted above. Such endorsements shall be signed by an authorized representative of the insurance company and shall include the signator's company affiliation and title. Should it be deemed necessary by the City, it shall be the Operator's responsibility to see that the City receives documentation acceptable to the City which confirms that the individual signing said endorsements is authorized to do so by the insurance company. Said Notices and Certificates of Insurance shall be provided to the Risk Manager, City of Tempe, 525 South Mill Ave, Second Floor, Tempe, Az, 85281 *and* Rio Salado Project Manager, 31 East Fifth Street, Second Floor, Tempe, Az, 85281.

C. Liability

The City shall accept no liability for any loss or damage to the Operator's equipment while the equipment is being operated by him/her as part of the activities under this *Contract*. The Operator shall be solely responsible for any damage or loss of City-owned facilities, boats or equipment being used by the Operator unless it can be shown that the loss or damage was due to the sole negligence of the City. The City shall not provide any extraordinary security measures at the Facility beyond the normal safety and police protection provided by City security and rescue personnel in the flood channel. The City shall not accept any liability for damage resulting from vandalism, theft, fire or other cause to the Operator's equipment.

D. Indemnity

To the fullest extent permitted by law, the Operator shall indemnify the City for any violation of the Americans with Disabilities Act relating to any boats and equipment used by the Operator in the Lake activities. The Operator also shall indemnify, save and hold completely harmless and defend the City and its agents, employees, officers, members and directors from and against all claims, liens, losses, damages, actions, causes of actions, demands for suits, liability, injuries to third parties, expenses, including but not limited to, all expenses incidental to the investigation and defense thereof, fees, fines, penalties and proceedings made upon the City, based on or arising out of, resulting from, or related to the Operator's activities under this *Contract*, including any acts or omissions of the Operator, any employee, contractor or subcontractor of the Operator, and the Operator's officers, agents, employees and representatives while in the exercise of performance of the rights or duties under this *Contract*; and such indemnity shall not apply where any such claims, liens, losses, damages, actions, causes of actions, demands for suits, suits, liability, injuries to third parties, expenses, fees, fines, penalties or proceedings arise from negligence of the City. It is the express intention of the City and the Operator that the indemnity provided for in this section is indemnity by the Operator to indemnify and protect the City and the City's private development partners in the Rio Salado Project from the consequences of the City's own negligence, excluding only where the cause of the injury, death or damage was the sole active negligence of the City.

The Operator shall promptly advise the City in writing of any claim or demand against the Operator or City that is known to the Operator related to or arising out of the Operator's activities under this *Contract* and shall see to the investigation of, and defense of, such claim or demand at the Operator's sole cost and expense, including the payment of attorney's fees, with the selection of said attorney

subject to mutual City and Operator approval.

E. Performance bond

Within sixty (60) days of this *Contract* taking effect, and annually on that date thereafter, the Operator shall cause to be made, executed and furnished to the City a Performance Bond or other instrument(s) acceptable to the City in the amount of \_\_\_\_\_ conditioned on the faithful performance of all conditions and covenants of this *Contract*. Failure to deliver such Performance Bond or other acceptable instrument(s) within the time specified herein shall automatically render this *Contract* null and void.

IN WITNESS WHEREOF, the parties hereto have caused this *Contract* to be executed the day and the year first above written.

City of Tempe,  
a municipal corporation

Sailboat Shop, Inc.  
a private corporation

By: \_\_\_\_\_  
STEVEN L. NIELSEN,  
Rio Salado Project Manager

By: \_\_\_\_\_  
THOMAS K. ERRICKSON, President  
Sailboat Shop, Inc.

ATTEST:

ATTEST:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Notary Public

APPROVED AS TO FORM:

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Operator Attorney





820 North McClintock Drive • Tempe, Arizona 85281 • (602) 894-5494 • Fax (602) 894-2855

September 5, 1999

The Sailboat Shop is excited about the opportunities available with the opening of the Tempe's Town Lake. The Sailboat Shop, established in Tempe in 1988, is the only sailboat dealer in Arizona. Our experienced staff is actively involved in many local sailing clubs and community sailing education programs. Our two-acre facility is located just minutes from the Rio Salado at the intersection of the 202 Freeway and McClintock Drive in Tempe providing convenient access for sailboat maintenance and repair. We carry an extensive selection of spare parts and have an experienced maintenance staff enabling a rapid response to our customers needs on the water.

You will see in the business plan that we have taken a very conservative approach. It is our expectation that the Boat Storage and Launch/Retrieval Facility will have a high demand once people experience the convenience or hear of it from their friends. However, since we are venturing into an unknown market, we have kept our estimates conservative.

As stated previously, we are excited about this opportunity and look forward to hearing your comments on this proposal. We hope that we can work together to make this vision a reality.

Sincerely,

Tom Errickson

President, Sailboat Shop

Tempe Town Lake Boat Storage and Launch/Retrieval Facility

Business Plan

RFP #: RS99-03

I. A. Previous Experience

The Sailboat Shop Inc. (SBS Inc.) has been serving Tempe and the Phoenix metro area with high quality, reliable and dependable products and service for 12 years. Our primary facility is located at 820 N. McClintock Drive in Tempe. This 2-acre facility includes 3300 square feet of office and retail space, 6 covered service bays and 3 hoists. We display approximately 50 new and used boats and provide storage for 40+ privately owned boats at our Tempe location.

The Sailboat Shop Pleasant Harbor L.c. (SBS PHlc) is a wholly owned subsidiary of SBS Inc. and consists of a ½ acre facility located at Lake Pleasant. This facility services boat owners in the 580 slip Lake Pleasant Marina, 150 dry storage customers and daily drive up boaters to the lake. It currently offers launch and retrieval services for boats in excess of 30' in length and 6 ton displacement. Charges for the launch service provided by SBS PHlc at Lake Pleasant are \$20 one way, \$35 round trip and \$75 monthly unlimited for shallow draft, medium displacement vessels. Additional charges apply for excessive draft or displacement. Those charges are assessed at the rate of \$60/hr.

B. Principal People

Tom Errickson

President Sailboat Shop Inc., 12 years, Manager of SBSPHlc., Tempe resident, ASU graduate, BS Business 1980, Vice Commodore Arizona Yacht Club (AYC), former Cruising Director of Lake Pleasant Sailing Club, City of Tempe Parks and Recreation Sailing Instructor.

Experience: 30+ years sailing and boating experience, Certified Sailing Instructor

Dennis Lynde

CEO Sailboat Shop Inc., former Commodore Arizona Yacht Club

Experience: 10 years Sales Manager of SBS Inc., Service Manager Jack Dorsee Yachts, San Diego CA, Customer Service Manager Catalina Yachts, 20+ years sailing and boating experience

### C. Staff Required

A dry storage facility at Town Lake will service a variety of boats and customers. This will require a wide range of skills and abilities for the operator. It is foreseen that small shallow draft vessels will be comparatively easy to launch and retrieve. Those with more complicated requirements are more likely to desire the services at this facility. Sailboats with a fixed keel and deep draft usually will have a large mast that is time consuming and cumbersome to erect. These customers will be attracted to a facility that will alleviate some of the time and inconvenience of getting their boat in the water. The staff of the SBS has extensive experience rigging the masts of sailboats and will be able to assist these customers rigging and launching. Particular expertise is required to launch and retrieve deep draft fin keel sailboats. Misalignment of the boat on the trailer while pulling up the ramp can cause damage to the boats resulting in damage claims and customer dissatisfaction. Our experience in these areas will minimize problems.

### II. Schedule of Fees

To determine a fee schedule for this proposal, a survey was done on neighboring lakes. The following table summarizes this information.

NOTE: Many lake recreation areas require an entry fee of \$6/vehicle in addition to fees listed below.

Location	Service	Monthly Fees	Comments
Pleasant Harbor Lake Pleasant	Dry Storage Launch & Retrieve of Power Boats	\$3/ft/ no launch service \$6/ft/unlimited launch	Space currently available
Canyon Lake	Dry Storage Launch & Retrieve	\$6/ft/launch service	Space currently available
Saguaro Lake	Dry Storage	\$6.75/ft	2 yr waiting list
Roosevelt Lake	Dry Storage Launch & Retrieve	\$40 + \$2.50/ft over 22 ft \$10 each way	Dry storage customers do not pay Forest service fee for launch
SBS Pleasant Harbor, lc	Launch & Retrieve of Sailboats	\$20 one way, \$35 round trip, \$75 unlimited	Additional charges for excessive draft or displacement
SBS Tempe	Dry Storage	\$38 per boat	1 mile from proposed site at Town Lake

<b>Sailboat Shop Town Lake Proposal</b>	<b>Dry Storage Launch service Dry Storage + Launch Launch-no storage</b>	<b>\$4/ft (minimum \$40) \$10 round trip \$6/ft (minimum \$60) \$20 round trip</b>	<b>Deposit = 2 month fee Tempe residents = 15% discount Additional charges for excessive draft or displacement</b>
---	--	--	--

### III. Operations

#### a. Layout

This facility will comprise of a fenced yard, 150' x 300' with a one way "u" shaped drive. Two gates will be required for efficient traffic flow. Spaces will be angled to facilitate easy backing of boats into the assigned storage space. Spaces will be approximately 11' wide and 25' long. This layout will yield 92 spaces. The addition of rack storage for small boats will increase boat storage capacity. Customer parking will be outside the fenced yard. A mobile mini 8' x 20' office storage unit will be positioned near the entrance. This office will require electric utility (220V 200A), phone line, and water. Port-a-Johns will be adequate restroom facilities for this temporary set up. A site plan of the proposed layout is included.

#### b. List of equipment/facilities required

Because of the short-term nature and possibility of relocation of this facility significant capital investment is not a viable option. It is proposed that the City of Tempe provide fencing, security lighting, electrical and water utility hook up to the facility and be responsible for any relocating costs in the event of their necessity. It is also requested that the City provide a medium duty tractor with a 3 point hydraulic hitch to transport boats to and from the water. A brochure of an acceptable model is included in this proposal. Such vehicles can be leased or perhaps the City currently has a suitable vehicle that could be converted for such use in its fleet to minimize costs. The storage yard and customer parking area would require a gravel surface to reduce dust in dry conditions and mud in wet conditions. To accommodate busy launch and retrieval times, a small staging

dock or walkway will be required at the ramp. This would expedite service to customers and increase the functional capacity of the ramp and minimize risk to people and boats.

It is requested that the City provide this dock. A rack system for small boat storage would also be supplied by the City.

Equipment	Source	Estimate
8'x 20' mobile mini storage container/office	Leased by Sailboat Shop	\$250/month
Launch tractor, similar to attachment	City of Tempe	\$7,000 - \$12,000
Rack system for small boat storage	City of Tempe	\$2,000
Floating docks to aid in staging of the boats during launch/retrieve	City of Tempe	\$2,000
Surface treatment of property (gravel)	City of Tempe	\$1500
Yard trailer for rack stored boats	City of Tempe	\$600
Perimeter fencing	City of Tempe	\$9000
Utilities on property 220Vm 200A Service ¾" water line Phone service hook up	City of Tempe	?

c. Hours of operation

Business hours: M-F: 9 am to sunset

Sat: 8 am to sunset

Sunday: 9 am to 5 PM

Hours of operation would be adjusted to meet seasonal demand and special event schedules. Launch & retrieve services will be prioritized to those customers with a 24-hour advance appointment. Customers will have access to their boats during business hours unless otherwise arranged.

d. Products & services

In addition to the launch & retrieve and dry storage services, this facility would also offer limited retail sales of merchandise to sustain boating activity on Town Lake. Items such as batteries for electric motors; spare tires for trailers and trailer components would be

available to facilitate immediate needs of boaters. Minor services would be available for boat owners on site. The close proximity of the Sailboat Shop at 820 N. McClintock would allow full service for those requiring more extensive repairs. The current shop offers hull repair, trailer service and welding, electrical, rigging, sail and canvas repair.

e. Employment policies

The Sailboat Shop Inc. uses the services of a Professional Employer Organization (PEO) to handle human resource needs. Consolidated Personnel Services Inc. is a leader in the PEO industry and administers all human resource, insurance and benefit plans for the Sailboat Shop Inc. A copy of their benefit plan and schedule of benefits are included.

Policies

a. Discount policy

Tempe residents would receive a preference on boat storage. A 15% discount of published storage and launch rates for boats registered to Tempe residents would be applied.

The owners of the Sailboat Shop Inc. are actively involved with the Arizona Yacht Club racing and social programs and will promote on the water activities to stimulate boating on the lake. Priority will be given to those who are involved in organized regattas and public events on Town Lake for launch service.

b. Launch & Retrieval policy

The owner of the boat to be launched &/or retrieved must be present as the services are provided. This will minimize staff and minimize risk of damage claims. Advance reservations will be required to assure prompt service and avoid congestion.

c. Rack Storage policy

Small car top-able boats may be stored in racks on the premises. Boats shall not exceed 14' in length or 150 lb. Rack boats will be transported on a yard trailer to the water.

d. Waiting list policy

If a storage capacity problem arises, a capacity expansion would be investigated through the City to maximize revenue. If additional space were not available, a waiting list would

be established. Tempe residents would receive a weighted factor in establishing their position on the list. Space would be made available to those on the list on a first come first served basis. Tempe residents would factor their time on the list by 1.25. For example, a Tempe resident is on the list for 60 days. A non resident on the list for 70 days, Tempe resident wait time has a 1.25 factor applied to his 60 days which equates to 75 days ( $60 \times 1.25$ ). The Tempe resident would receive priority (75 days) over the non-resident (70 days).

#### IV. Financial Capability

The Sailboat Shop financial statement and federal income tax form for 1998 are included for review. SBS Inc. has established lines of credit with TransAmerica Financial of \$250,000 for flooring inventory. A business line of credit with Wells Fargo Bank of \$50,000 is also established. SBS Inc. enjoys an open account status with its major suppliers such as Catalina Yachts, Hobie Cat Company, Outboard Marine Corporation (OMC), Escape Sailboats, Port Supply, Coast Distribution, Sailing Supply, and others with which we regularly do business. All accounts are current. Reference contacts are included.

SBS Inc. maintains a business checking account with Bank One, a copy of the cover sheet of the July, 1999 account statement is included. SBS Inc. maintains a business checking account with Wells Fargo Bank, a copy of the cover sheet of the July, 1999 account statement is included.

#### V. Revenue Estimate

A lease rate based on revenues received from the storage and launch income is proposed. The City would receive 25% of income generated from storage rental and launch services for non-Tempe residents. Revenue from storage for Tempe residents would be paid at the rate of 15% of income to offset resident discounts. It is estimated that a 1-acre facility could store approximately 92 boats. Assuming a 20' average size at \$6/ft projected revenues could reach \$11,040/month with the City receiving as much as \$2760/month. Additional revenue would flow to the City from

September 6, 1999

Page 8

sales and rental tax generated at this facility. Annual rental revenues to the city based on these figures would exceed \$33,000 with sales tax revenue to the city exceeding \$1900.

These amounts could easily be exceeded if the demand warranted by expanding the area beyond a 150' x 300' lot. A rack system would increase capacity in the storage area increasing the revenue potential. Six boats could be stored on racks in the area required for one trailered boat. A 14' Sunfish sailboat stored on racks would cost \$84/month with launch service. A single trailered storage space could generate \$504/month with the addition of racks. The rack storage could be covered to enhance their desirability by protecting boats from the elements.

Additional revenue could also flow from the launch of boats not stored in the yard but that would desire to use the launch service.

#### Utilities

Power, water, telephone and security lighting would be required to operate this facility. Costs of installation cannot be estimated without knowing their proximity to the site. The utilities should be metered at current rates.

#### Special Event Closure

If the necessity arose to close the facility for a special event a rate of \$180.00 per hour would be charged to the City.

### VI. Conclusion

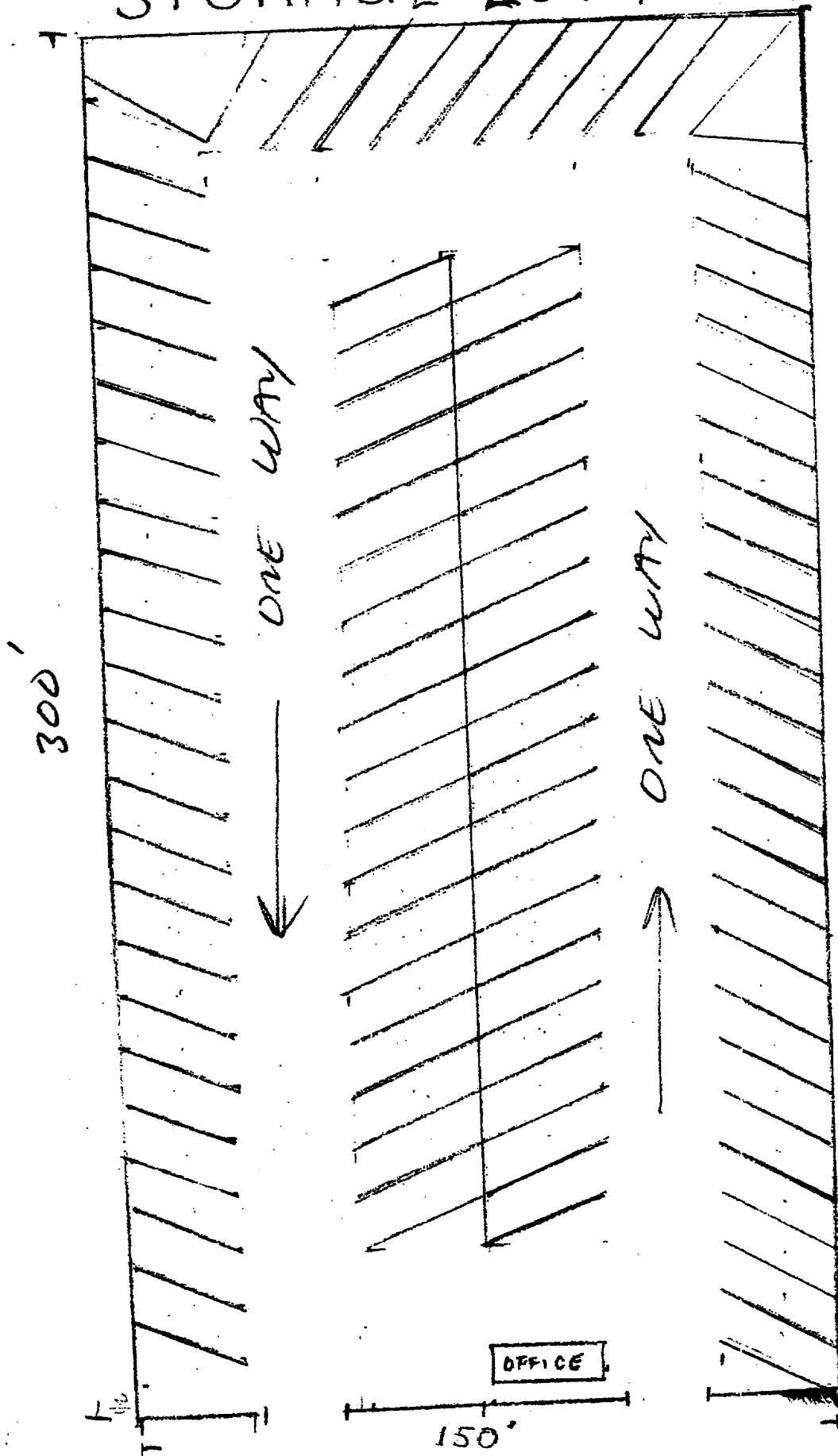
The Sailboat Shop looks forward to the opportunity to work with the City of Tempe to turn Town Lake into a vibrant and fun filled destination for boaters and sightseers by bringing action to the water. Our expertise will make access to the water safe, easy, and fun for residents of Tempe and the Valley. Our involvement in the local community of boaters will stimulate activity on the Lake and in turn stimulate landside activities around the Lake. The staff of the Sailboat Shop is in place, experienced, and ready to begin operations on short notice. Our long term involvement in the boating industry demonstrates our commitment and reliability.



### **Supplier References**

Catalina Yachts	21200 Victory Blvd. Woodland Hills, CA 91367	818-884-7700
Hobie Cat	4925 Oceanside Blvd. Oceanside, CA 92056	760-758-9100
OMC	200 Sea Horse Dr. Waukegan, IL 60085	800-888-4662
Escape Sailboats	200 Highpoint Ave. Portsmouth, RI 02871	401-683-9640
Port Supply	P.O. Box 50060 Watsonville, CA 95076	800-621-6885
Coast Distribution	P.O. Box 610577 San Jose, CA 95161	800-495-5858
Sailing Supply	2822 Canon St. San Diego, CA 92106	800-532-3831

# STORAGE LOT PLAN



JOHN DEERE

Compact Utility Tractor

790



# 790 Compact Utility Tractor

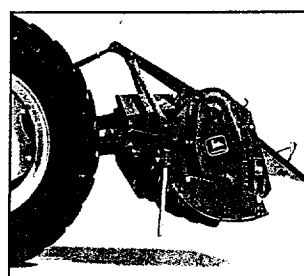
The Original Workhorse. Now with More Horses.

- High-torque, fuel-efficient, 30-hp diesel engine with direct injection starts quickly. An auto-bleed system ensures easy restarts.
- Standard sliding-gear transmission has eight forward and two reverse speeds. Optional 4WD provides increased traction and allows shift-on-the-go engagement.
- To maximize performance, dual hydraulic pumps (on 4WD) provide constant flow of oil to both power steering and implements.
- Optional selectable PTO allows operation of the mid-PTO, rear-PTO, or mid- and rear-PTO together.
- Implements can be attached and detached in minutes. Rear hitch arms have lateral float capability, so implements closely follow ground contours.
- For additional safety, standard equipment includes both transmission and PTO operator presence systems.

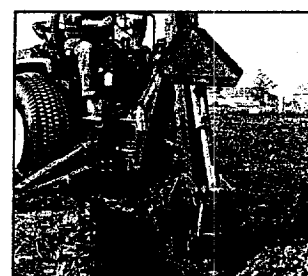
## SPECIFICATIONS

790	
<b>Engine</b>	
Gross horsepower	30 (22.4 kW)
PTO horsepower	25 (14.9 kW)
Rated engine speed	2,600 rpm
Type	Diesel
Number of cylinders	3
Displacement	91.3 cu. in. (1.5 L)
Air cleaner	Dry-type with safety element
Alternator	20-amp
<b>Fuel system</b>	
Type	Direct injection, self-bleeding
Capacity	6.3 U.S. gal. (24 L)
<b>Transmission</b>	
Standard	2WD, 8 forward/2 reverse
Optional	4WD, 8 forward/2 reverse
<b>Drivetrain</b>	
Final drive	Spur gear
Clutch	Single-stage dry or two-stage dry (4WD)
Brakes	Dry shoe
<b>Steering</b>	
2WD	Manual
4WD	Hydrostatic
<b>Hydraulic System</b>	
Pump (type)	Dual gear (single on 2WD)
Implement pump capacity	5.6 gpm (21.1 L/min)
Steering pump flow	4.3 gpm (16.3 L/min)
Maximum total flow	9.9 gpm (37.4 L/min)
System pressure	2,050 psi
Category 1, rear 3-point hitch	Standard
Hitch lift capacity at 24 in. behind link ends	815 lb. (370 kg)
<b>PTO:</b>	
2WD	Transmission-driven
4WD	Continuous live
Speed	540 rpm
<b>Weight (approximate)</b>	
2WD	1,930 lb. (875 kg)
4WD	2,105 lb. (955 kg)

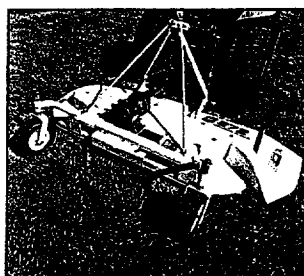
(Specifications and design subject to change without notice.)



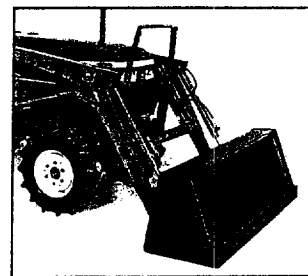
**550 Rotary Tiller**  
Fifty-inch tiller has offset capabilities and works soil to a maximum 8-inch depth.



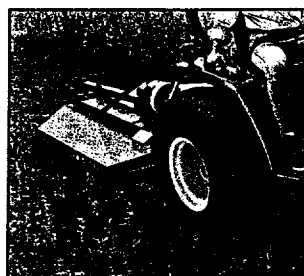
**No. 7 Backhoe**  
Backhoe has a 7 1/2 foot digging depth and comes with a solid-mount sub-frame and wide-stance stabilizers.



**272 and 261 Rear-Mount Mowers**  
Three-point-hitch grooming mowers come in 5- and 6-foot widths and are built of reinforced stamped steel. A 60-inch mid-mount mower is also available.



**70 Loader**  
Quik-Tatch loader attaches and detaches in minutes, without tools. Tapered booms and torque tube add strength.



**513 Rotary Cutter**  
Five-foot-wide cutter has fast blade-tip speeds for clean cutting. Splined gearbox adds strength.



TO: ASH CAMPBELL

FROM: TOM ERICKSON

ASH -

I HOPE THIS DRAWING AND  
LIST HELPS TO DEFINE THE FACILITY.  
I GOT THE QUOTE ON THE DOCK  
WITH OUT ANCHORS AND INSTALLATION  
IT CAME TO \$5800<sup>00</sup> - I THINK  
THAT IS A LOT MORE THAN I  
HAD IN MIND. I DON'T KNOW IF THIS  
WILL GET THE SAME TRAFFIC AS THE  
YOUR BOAT DOCK AND NEEDS TO BE  
THAT HEAVY.

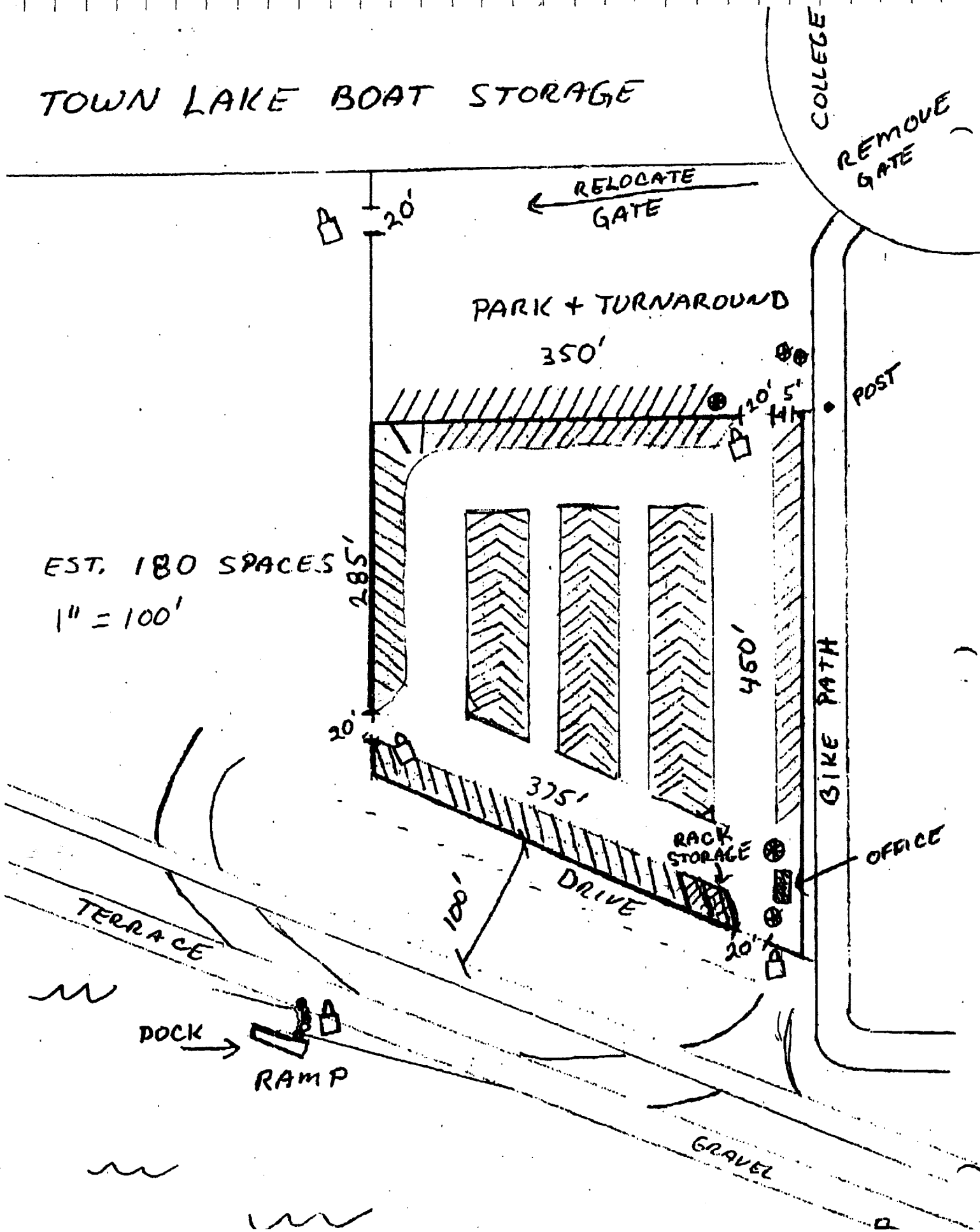
LET ME KNOW WHAT YOU THINK

TOM

## TOWN LAKE STORAGE LOT

1. REMOVE + RELOCATE GATE AT COLLEGE
2. 1400' 6' CHAIN LINK FENCE W/3 STRAND BARB WIRE
3. THREE 20' SLIDING GATES FOR YARD  
'WITH LARGE WHEELS
4. ONE 51' MAN GATE
5. APPROX 50 CONCRETE PARKING BUMPERS
6. 10 X 20 OFFICE/STORAGE BLDG.
7. INSTALL POST IN BIKE PATH TO  
PREVENT VEHICLES TRAFFIC
8. GRADE AND GRAVEL STORAGE LOT,  
PARKING-TURNAROUND AREA,  
DRIVE AT SOUTH FENCE AND  
TERRACE TO STEPS
9. STAGING DOCK AT BOAT RAMP  
≈ 4' X 20"

# TOWN LAKE BOAT STORAGE




**Bingham Equipment Company**

 1655 S. Country Club Dr. • Mesa, AZ 85210-6098  
 (480) 969-5516 • Fax (480) 969-0271

**City of Tempe**

Tempe Lake Probject

Attn: Ash Campbell

480-350-8096 480-858-2194 fax

10/20/99

 Mike Oliver (602) 725-2081  
 (888) 969-5516

Shipping:

F.O.B. Tempe. AZ

Terms: as per AZ State Contract # AD990177-001

Cash or Finance

?????

**Kubota B2400 HSD**

\$ 10,497.20

- 24 H.P. Diesel Engine
- Ser #
- 4 Wheel Drive
- New Warranty

- 23 X 8.50-12 Front tires
- 33 X 12.50-15 R. tires
- Turf Tires
- Power Steering
- Hydrostatic Transmission

**Recommended Options**

 Double Element Air Cleaner  
 Fender Extensions  
 Front Weights (3)  
 Front Grill Guard  
 Rear Work Light  
 Utility Bar W/2" Ball

 \$ 100.32  
 \$ 152.24  
 \$ 219.12  
 \$ 126.72  
 \$ 59.84  
 \$ 200.00

Sub Total \$ 11,355.44

Tax 5.70% \$ 647.26

Total \$ 12,002.70





CONTRACT NO.: AD990177 - 001.

PAGE  
1

AMENDMENT NO.: 1

OF  
2

Capital Center Suite 103

15 South 15th Ave

Phoenix, AZ 85007-3223

## AGENCY:

Any Eligible Agency

## VENDOR:

Bingham Equipment Co - Mesa  
1655 S Country Club Dr

Mesa, AZ 85210-0000

AGENCY CONTACT: Aurora Hernandez-Lopez  
TELEPHONE NO.: (602) 542-9122VENDOR CONTACT: B Spilsbury  
TELEPHONE NO.: (480) 969-5516

## THE REFERENCED CONTRACT IS AMENDED AS FOLLOWS:

## Lawn &amp; Garden Mowers &amp; Equipment

In accordance with contract Terms and Conditions, paragraph entitled "New Products", your firms offer is hereby accepted and approved and will become effective immediately. The following options will be listed under the following line items:

ITEM	CURRENT EQUIPMENT	ADD OPTION	PRICE
05	Kubota B2400HSE 2WD Tractor with turf tires	4 WD with turf tires (Model B2400HSD)	\$10,497.20
		4WD with R1 farm tires (Model B2400HD)	\$10,493.00
15	Kubota L3010F 2WD Tractor with turf tires	4 WD with turf tires (Model L3010GST)	\$12,612.00
		4 WD with R1 Farm tires (Model L3010GST)	\$12,487.00

All other terms and conditions remain the same.

ALL OTHER PROVISIONS OF THE CONTRACT SHALL REMAIN IN THEIR ENTIRETY.

VENDOR HEREBY ACKNOWLEDGES RECEIPT AND  
UNDERSTANDING OF THE ABOVE AMENDMENT.

Blayne Spilsbury, Bingham Equipment Co.

SIGNATURE

DATE

s/ letter dated 08/17/99

TYPED NAME AND TITLE

THE ABOVE REFERENCED CONTRACT AMENDMENT IS  
HEREBY EXECUTED THIS DATE BY THE STATE.

SIGNATURE

DATE

Robert J. Descheemaker,

TYPED NAME AND TITLE

Commodities Unit Administrator

om 08/20/99